

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814



May 31, 1990

ALL COUNTY INFORMATION NOTICE NO. I-38-90

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: JONES v. YEUTTER LAWSUIT; ESTABLISHMENT OF  
ADMINISTRATIVE OVERISSUANCE CLAIMS IN FOOD STAMPS

REFERENCES: ACL 88-150, DATED DECEMBER 2, 1988  
ACL 89-21, DATED FEBRUARY 24, 1989  
ACL 89-100, DATED NOVEMBER 22, 1989  
ACL 90-22, DATED FEBRUARY 27, 1990  
M.S. 63-503.232 (c)(4)

This is to provide specific guidance regarding the establishment of administrative error claims when a County Welfare Department (CWD) had sufficient time, but failed to budget prospectively a public assistance (PA), general assistance (GA), Refugee Cash Assistance (RCA), or Entrant Cash Assistance (ECA) payment for Food Stamp computation purposes. An administrative error claim must be established if the CWD could have anticipated with reasonable certainty the amount of the PA, GA, RCA or ECA payment and had sufficient time to budget it prospectively for Food Stamp purposes but failed to do so. No claim would be established if the CWD acted upon the best available information at the time the Food Stamp computation was completed.

The following case examples illustrate situations in which an administrative error claim must be established.

EXAMPLE #1:

The CWD established a GA grant in the amount of \$300 for an ongoing Food Stamp household. Although there was sufficient time to budget this payment, the CWD erroneously budgeted \$0 in GA benefits for Food Stamp computation purposes.

In this instance, an administrative error claim must be established because the correct amount of GA benefits was known and the CWD had sufficient time but failed to budget the payment on a prospective basis.

EXAMPLE #2:

An ongoing Food Stamp household was in receipt of both PA and GA benefits. The CWD budgeted the correct amount of GA benefits but erroneously budgeted \$0 PA benefits although a PA grant was established, and there was sufficient time to budget it prospectively for Food Stamp purposes.

An administrative error claim must be established under these circumstances because the CWD had sufficient time to budget the PA payment prospectively. The PA payment would not be budgeted retrospectively as an additional or corrective payment because it had already been established.

EXAMPLE #3:

An ongoing Food Stamp household was in receipt of GA benefits. It subsequently applied for PA benefits and was approved by the CWD. However, the CWD did not budget the PA payment when computing the household's Food Stamp benefit level.

An administrative error claim would not be established if the CWD was unable to anticipate the PA payment with reasonable certainty (M.S. 63-503.212) and budget it prospectively for Food Stamp computation purposes. If the CWD could have anticipated the amount of PA payment with reasonable certainty, an administrative error claim must be established. Under the terms of the partial settlement agreement, the PA payment would not be budgeted retrospectively in either case as it was an initial payment.

EXAMPLE #4:

The CWD had sufficient time to budget a \$400 PA payment for Food Stamp purposes. For an unknown reason, the CWD only budgeted \$50 of the PA payment as income when the Food Stamp benefits were computed.

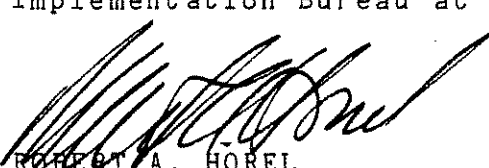
The difference of \$350 would not be budgeted retrospectively as an additional or corrective payment because a regular monthly grant amount (i.e., \$400) was established and paid. The CWD must establish an administrative error claim as a result of the overissuance in this instance because the CWD had sufficient time but failed to budget the correct PA payment (\$400).

EXAMPLE #5:

An ongoing Food Stamp household was authorized to receive a \$300 PA payment. The CWD budgeted this payment prospectively for Food Stamp computation purposes. Subsequent to that action, the PA benefit amount was corrected and \$400 was issued. However, there was inadequate time to budget the \$400 corrected PA payment for Food Stamp computation purposes.

An administrative error claim would not be established under these circumstances because the CWD acted upon the best available information at the time the food stamp benefit computation was completed. The difference of \$100 must be budgeted retrospectively as an additional or corrective payment.

If you have any questions regarding this letter or implementation of the Jones v. Yeutter partial settlement agreement, please contact Carole Robinson of the AFDC and Food Stamp Policy Implementation Bureau at (916) 324-2015.



ROBERT A. HOREL  
Deputy Director